

The option of state utilities

A STATE election is an ideal opportunity to review the impact of the proposed policies of the contending political parties on local and regional areas.

All Frankston residents are dependent upon energy utilities - the State Electricity Commission of Victoria, the Gas and Fuel Corporation and Melbourne Water.

The future ownership of these utilities is an election issue. Unfortunately, the debate is focused on public or private monopoly ownership. There is a third option - making these authorities co-operatives.

Co-operative energy utilities would be owned by the residents of local areas such as Frankston. Co-operatives are democratic because there is one vote per member. It is direct democracy instead of the indirect democracy of public utilities. Co-operatives are owned by consumers whereas private utilities are owned by investors.

Utility co-operatives have been successfully developed in the USA. There are approximately 1000 rural electric co-operatives serving local areas.

The electric utilities have an ongoing commitment to the economic development of local rural areas.

Their activities have included retaining and expanding local firms and jobs, attracting business and the development of community infrastructure. In 1987, for instance, the National Rural Health Network was established by the National Rural Electric Co-operative Association to promote

healthy lifestyle habits and reduce risks for disease in rural communities.

In contrast, the various ownership proposals of the Victorian Government and Opposition share a commitment to narrowing the activities of the utilities to producing and distributing energy effectively and efficiently.

In a submission, Victoria's Ministerial Advisory Committee on Co-operation (MACC) has asked the government to consider the co-operative option. It is only when all the ownership options are considered that a meaningful decision can be made about the future provision of services such as electricity, gas and water. Regrettably, it is unlikely that between now and October 3 that either the Victorian Government or Opposition will concede the co-operative option for public authorities.

The real choice and decision is not about the competitiveness and efficiency of different utility providers.

It is about how to access essential services, what is the role of utilities in the community and their ownership.

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